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Japan awaits final word from USSR on start of peace treaty talks. Japanese hope negotiations will begin in New York soon after 1 April. USSR at first rejected New York as site, later agreed to any location desired by Japanese. B. Latest exchange was on 23 Feb, when Japanese reaffirmed choice of New York. / Soviet answer not yet received Soviet approach to Japan facilitated by recent election campaigning, when Hatoyama promoted theme of Japan-Orbit friendship. Said Hatoyama: "Is my intention to open way for world peace by starting free intercourse and expanding trade State Dept., JCS reviews completed with the Soviet Union and Red China,

and thus normalize relations with

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B. In Dec '54, Molotov stated USSR took

"positive" attitude toward Japan's desire establish normal relations.

- C. On 25 Jan, head of unofficial Soviet
 mission in Tokyo presented unsigned,
 undated note directly to Hatoyama
 (short-circulting foreign ministry),
 stating Moscow prepared nominate
 representatives for negotiations.
- p. Foreign Ministry had previously refused to accept note, lest action give Soviet mission de facto recognition.
- Hatoyama's statements re Orbit

 "idiotic," a demonstration of his

 "complete ignorance of international

 affairs."
- Japan will enter talks with following demands:

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island chain, also Shikotan, Habomai
islands.

- B. Permission to fish in waters off

 Kamchatka up to Soviet 12-mile limit

 (30-mile limit now observed by

 Japanese).
- C. Soviet support for Japan's membership in the UN.
- D. Completion of return Japanese POW's (USSR claim only 1200 remain; Japs put figure at 10,000-12,000).
- IV. Foreign Ministry recognizes that Japan's bargaining position virtually nil, doubt that Soviets will return any territories.
 - A. Ministry officials nonetheless hope for some sort of "package" in exchange for end to state of war.
 - B. However, Hatoyama favors first ending state of war, leaving territorial and

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likely to overrule his negotiators for sake of hollow diplomatic "triumph."

- V. If Japan insists on discussing territories,
 Soviets will almost certainly bring up the
 question of US bases in Japan, Okinawa,
 Bonins.
 - A. Japanese public tends to equate Sovietheld Kuriles with US-occupied Okinawa.
 - B. USSR, however, considers Kuriles lawfully Soviet as result Yalta. No likelihood USSR would return any part.
 - C. Moscow might suggest that discussions on Kuriles await time when Okinawa and Bonins returned to Japan.
 - 1. This could stimulate irredentist sentiment in Japan.
 - D. Return of Habomai, Shikotan likewise not probable.
- 1. If Soviets should offer return,
 however, "generosity" could be exApproved For Release 2003/05/29 CJA-RDP79R00890A0005000300225

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	attempt to in	clude all	Orbit in negotia	_

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